

NEWMARK

1Q 2024

Hotel Market Nsights Report

SAN BERNARDINO, CA



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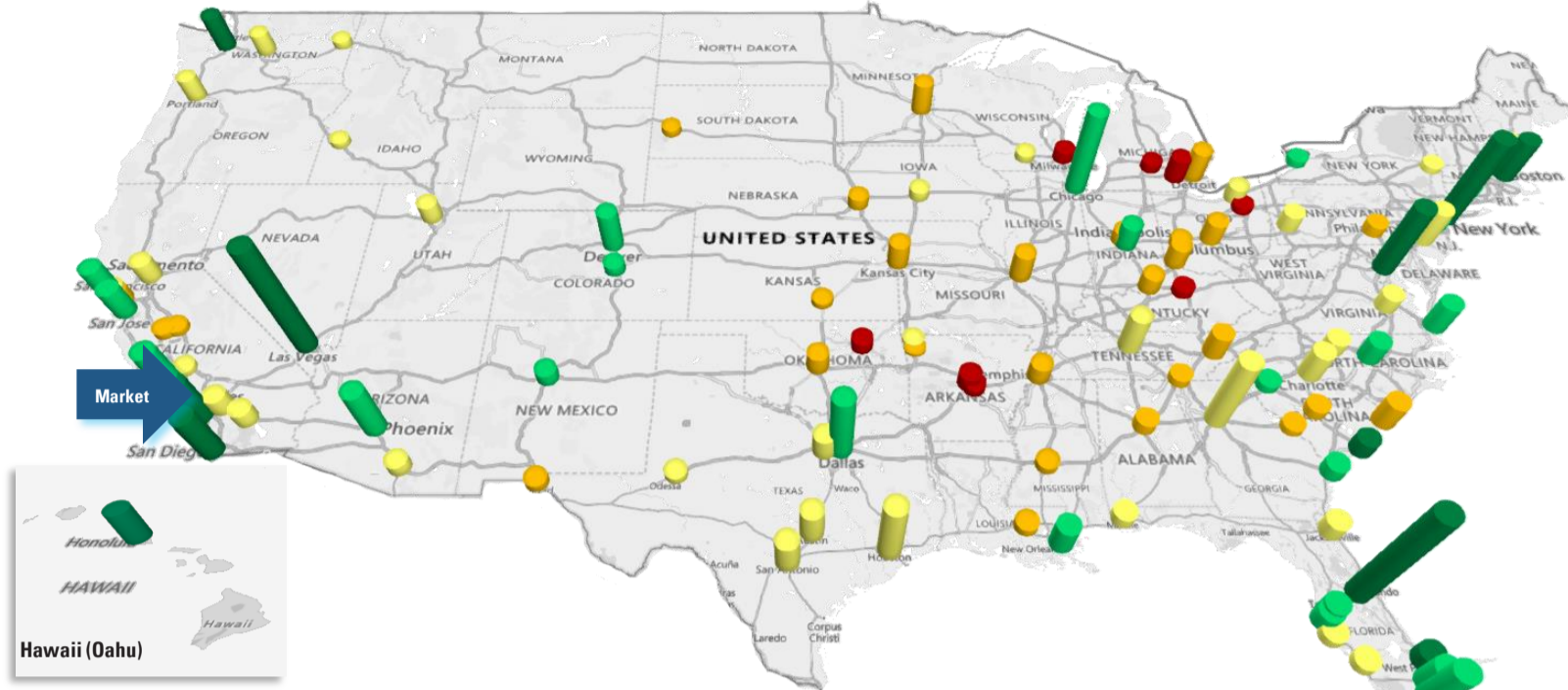
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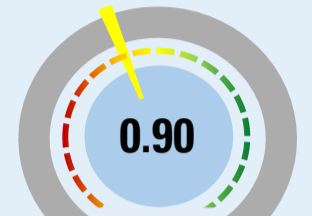


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

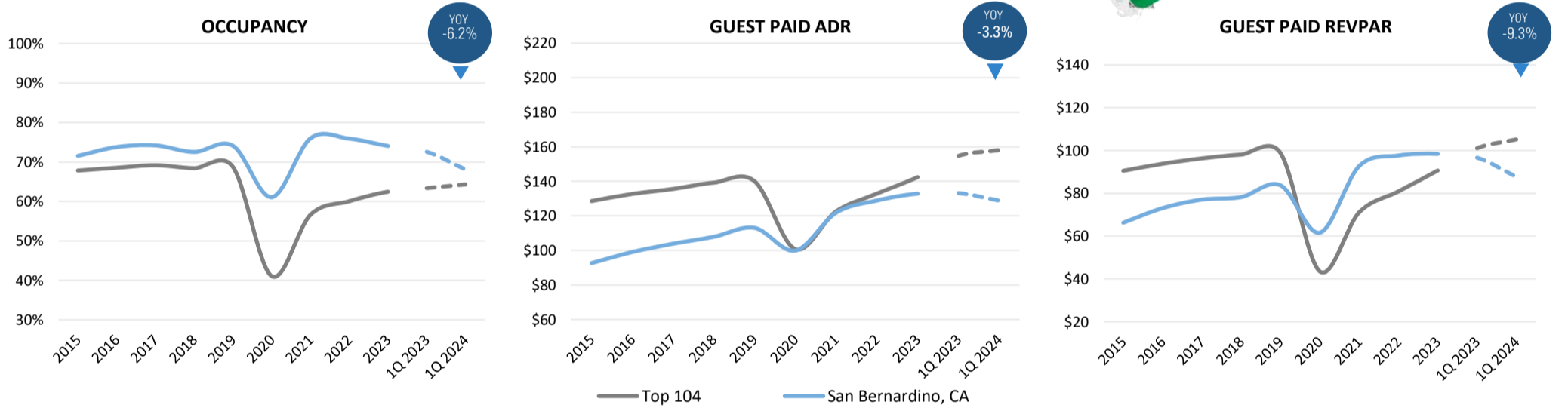
San Bernardino, CA



66th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.90) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



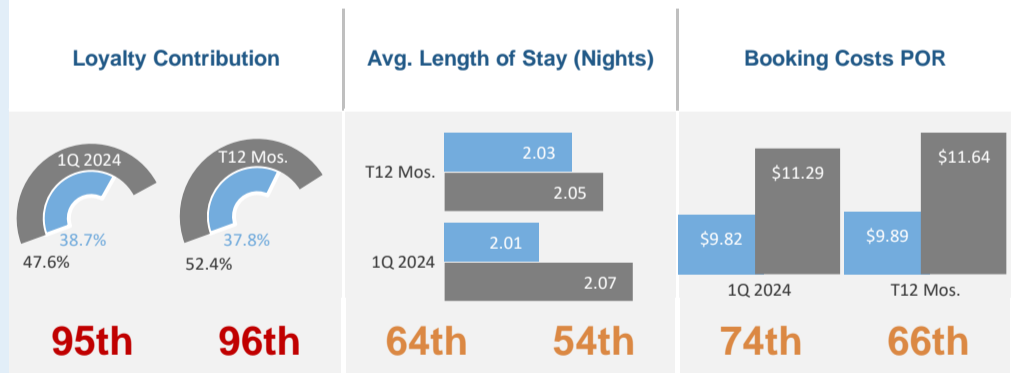
PERFORMANCE INDEXES

Key Performance Indexes



BENCHMARK INDEXES

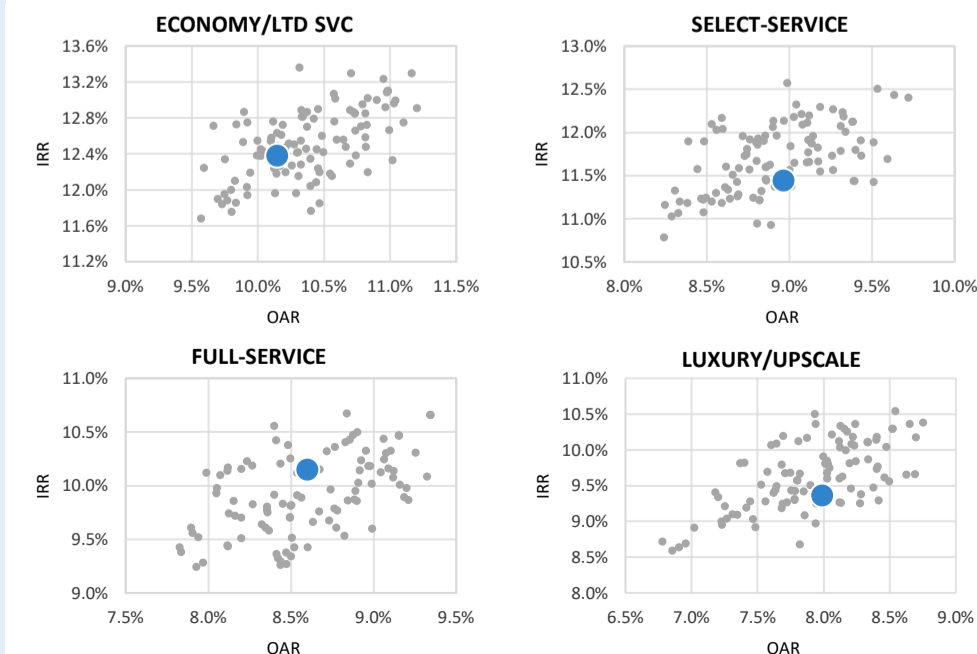
Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



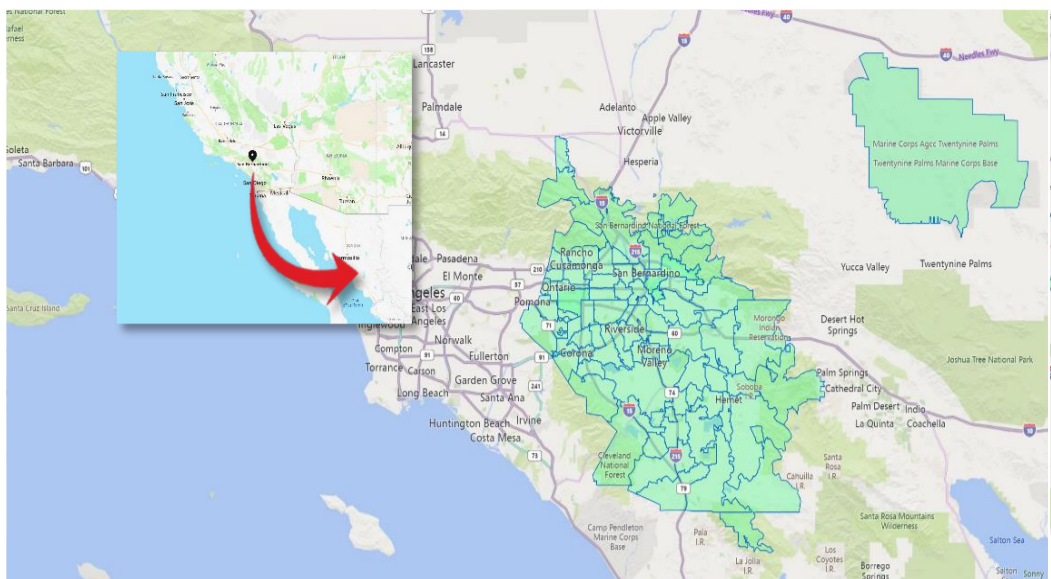
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	San Bernardino	
County:	San Bernardino County	
State:	California	
Geo Coordinates (market center):	34.10834, -117.28977	
Major Hotel Demand Generators		
Stater Brothers Markets Arrowhead Regional Medical Center U.S. Marine Corps Fort Irwin Walmart Inc. U.C. Riverside Loma Linda University Ontario International Airport Amazon March Air Reserve Base VA Loma Linda Healthcare System Target Brands Inc. Kaiser Permanente Pechanga Resort & Casino Eisenhower Medical Center San Manuel Band of Mission Indians Morongo Casino, Resort & Spa JW Marriott Desert Springs Resort & Spa Desert Regional Medical Center Agua Caliente Band of Cahuilla Indians		
Metrics and Ranking		Measurements
Population (hotel market area)		3,141,160
Income per Capita		\$41,027
Feeder Group Size		181.3 Persons PSR
Feeder Group Earnings		\$7,438,664 PSR
Total Market Hotel Revenues		\$835.6 million
Rankings		
12th of 104 (Large)		
78th of 104 (Below Average)		
101st of 104 (Soft)		
97th of 104 (Soft)		
48th of 104 (Average)		

Key Performance Metrics

Data provided by: **kalibri LABS**

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	71.5%	\$92.63	\$66.26	\$85.91	\$61.45	\$6.72	92.7%	40.5%	2.04	21,330	1.03
2016	73.8%	\$99.04	\$73.06	\$91.61	\$67.58	\$7.43	92.5%	42.5%	2.00	21,160	1.17
2017	74.2%	\$103.86	\$77.05	\$95.66	\$70.97	\$8.20	92.1%	44.1%	1.95	21,030	1.16
2018	72.5%	\$107.87	\$78.23	\$99.18	\$71.93	\$8.69	91.9%	46.0%	1.91	21,850	1.13
2019	74.1%	\$113.04	\$83.74	\$103.77	\$76.88	\$9.27	91.8%	52.3%	1.93	22,520	1.20
2020	61.1%	\$99.89	\$61.60	\$92.77	\$56.66	\$7.12	92.9%	29.5%	2.16	23,100	1.43
2021	76.0%	\$121.82	\$92.69	\$113.17	\$85.97	\$8.65	92.9%	30.9%	2.34	23,310	1.56
2022	75.9%	\$128.88	\$97.67	\$119.61	\$90.78	\$9.27	92.8%	31.8%	2.28	23,350	1.29
2023	74.0%	\$132.87	\$98.41	\$123.18	\$91.20	\$9.70	92.7%	32.6%	2.22	23,440	1.12
CAGR: 2015 thru 2023	0.4%	4.6%	5.1%	4.6%	5.1%	4.7%	0.0%	-2.7%	1.1%	1.2%	1.0%
1Q 2023	72.6%	\$133.19	\$96.63	\$123.41	\$89.54	\$9.77	92.7%	36.3%	2.09	23,770	1.21
1Q 2024	68.1%	\$128.84	\$87.70	\$119.02	\$81.01	\$9.82	92.4%	38.7%	2.01	24,570	0.90

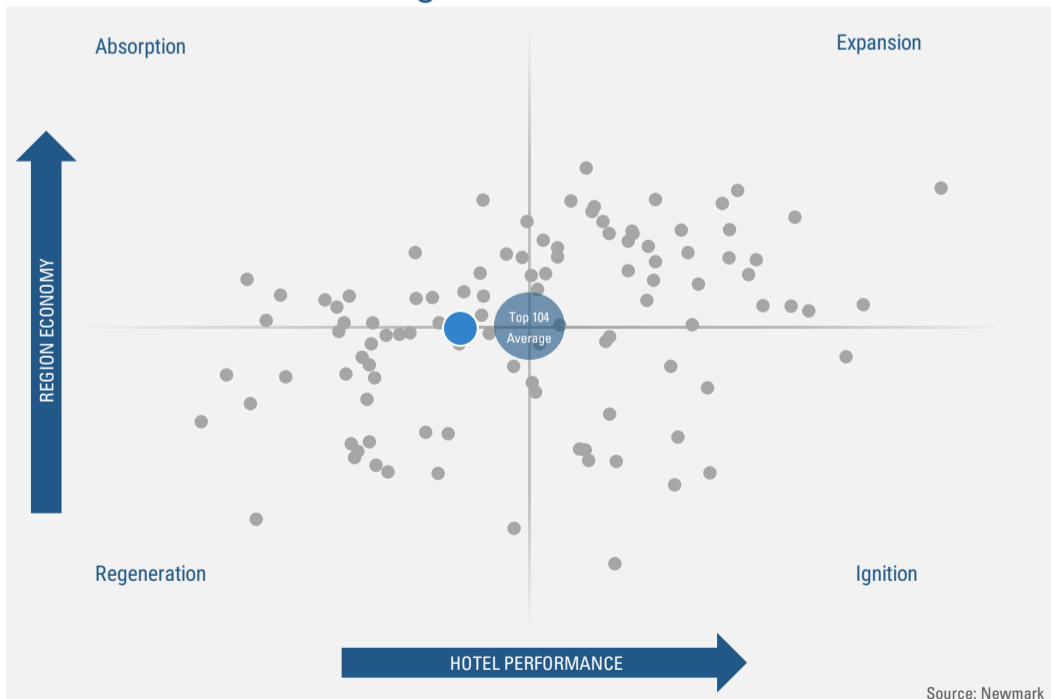
Notable Metrics

	Feeder Population Per Room	Population Density per Room	Marketwide Income per Room
HIGHEST	3rd Very Strong San Bernardino, CA posted a high ratio of feeder population per room (91.65)	4th Strong The market boasted strong population density per room (126.27)	6th Strong The market also enjoyed a high ratio of marketwide income per room (\$3,760,073)
LOWEST	101st Soft This market required a large feeder group size (181.31 Persons)	97th Soft The market has low feeder group earnings per sold room (\$7,438,664)	96th Soft San Bernardino, CA also has been hindered by weak T12-month loyalty contribution (37.8%)

Notable Trends

	Short-Term Historical Supply Growth	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE ADR Growth
STRONGEST	10th Above Average San Bernardino, CA has benefited from low short-term historical supply growth (3.3%)	12th Above Average The market has benefited from strong long-term historical Guest Paid ADR growth (3.7%)	12th Above Average The market also enjoyed from strong long-term historical COPE ADR growth (3.6%)
WEAKEST	98th Soft The market exhibited high long-term historical booking costs POR growth (5.0%)	97th Soft We note this area has been hindered by high rooms supply growth over the last 12 months (3.4%)	87th Below Average San Bernardino, CA also has been hindered by weak short-term historical occupancy growth (-1.8%)

Market Performance Stage



San Bernardino, CA: Regeneration Stage

The San Bernardino, CA market is currently in the 'Regeneration' stage of the performance cycle. In this stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and Knoxville, TN.

- Other Stages:**
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Baltimore, MD; Chicago, IL; and Miami, FL.
 - Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed any lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Atlanta, GA; Charlotte, NC; and Columbus, OH.
 - Expansion:** In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

Industry Observations

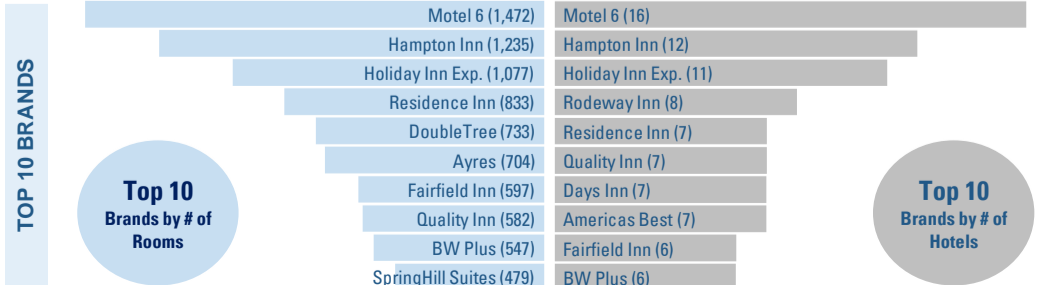
MOODY'S ANALYTICS

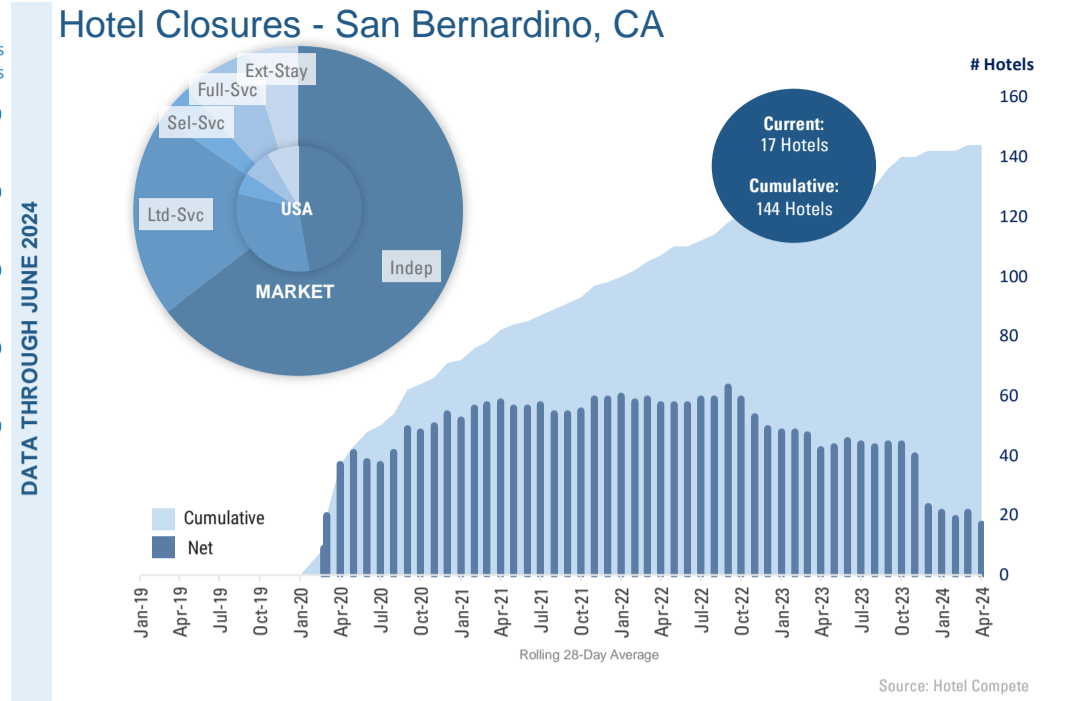
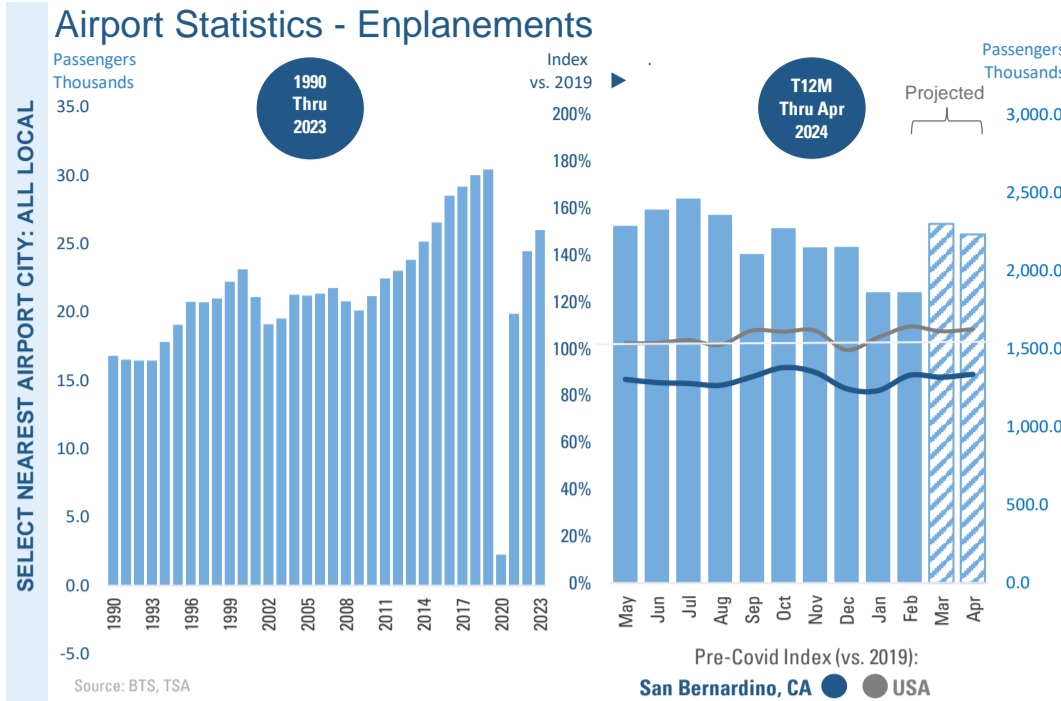
Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.3%**
 Risk Exposure (402 US markets): **66th Percentile: Average Risk**
 Key Industry Notes: Comparative advantage in transportation
 Lower business and housing costs
 Young population; positive net migration
 Dearth of high-wage industries
 Low educational attainment

Moody's Rating

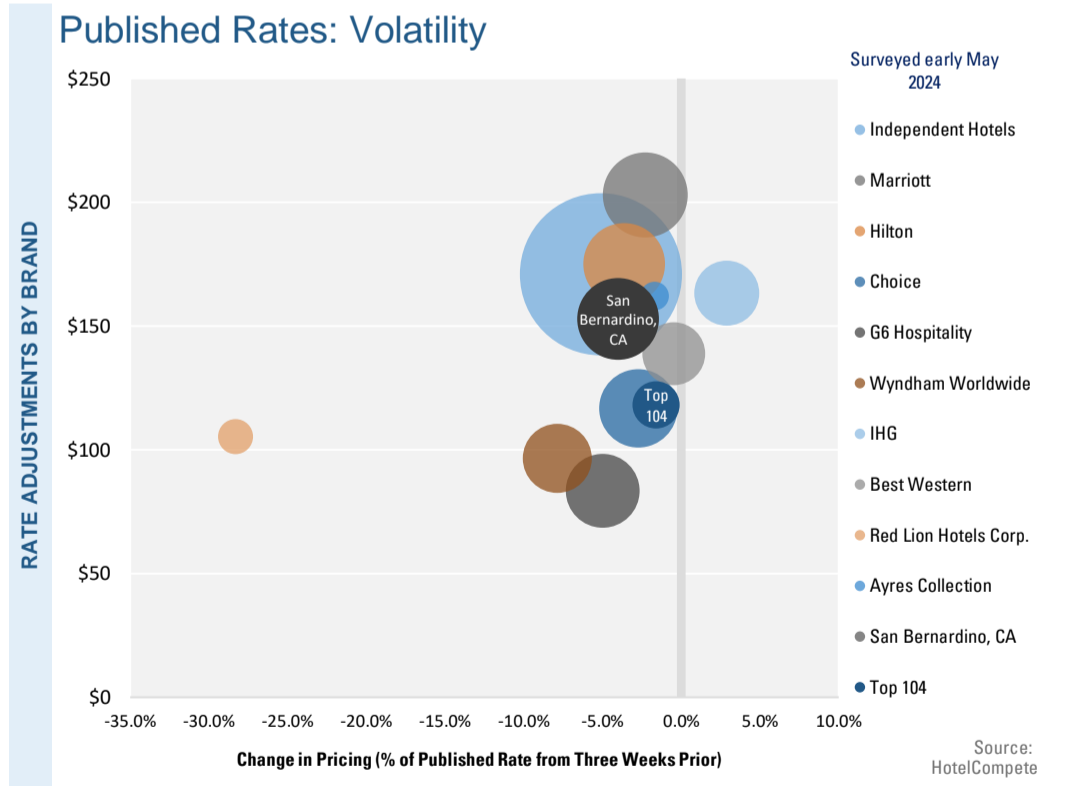
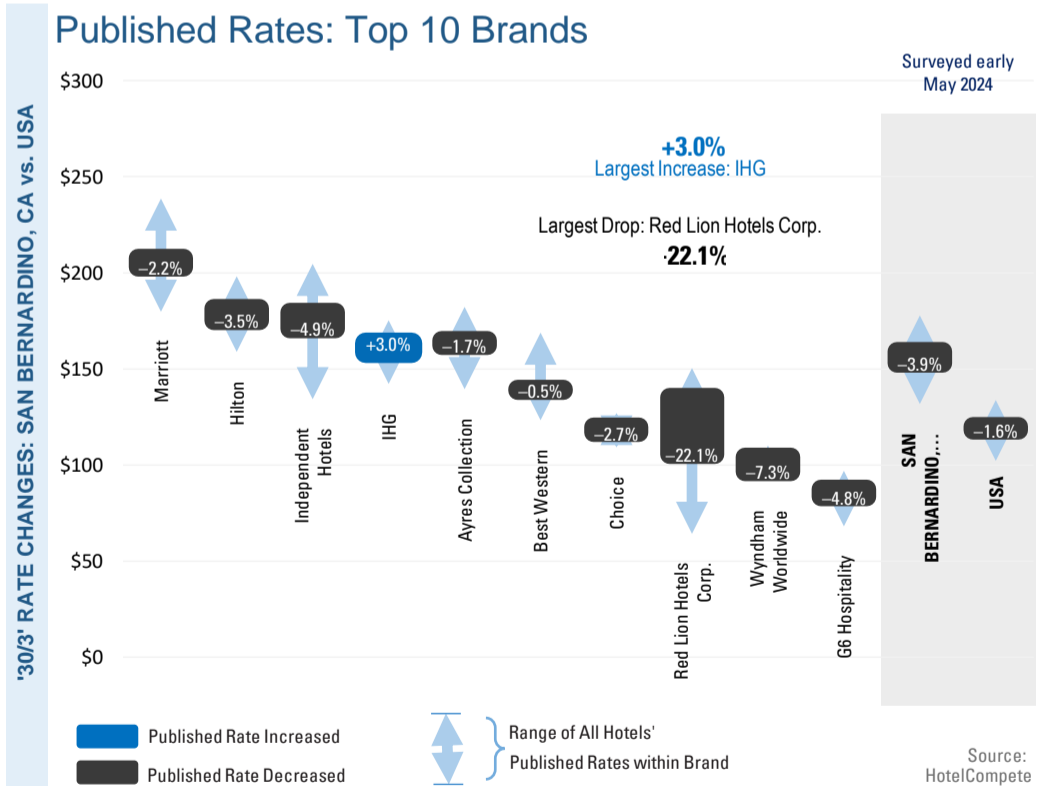
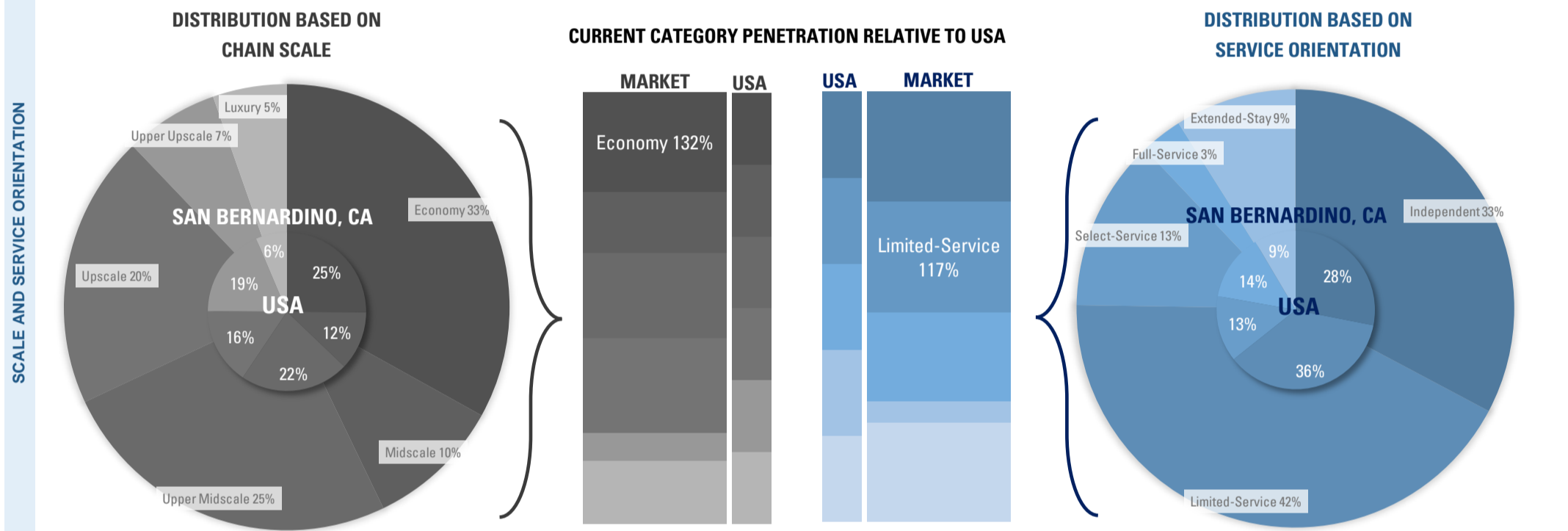
Aa2
Investment Grade

Long-term investment grade, Prime-1 short-term outlook

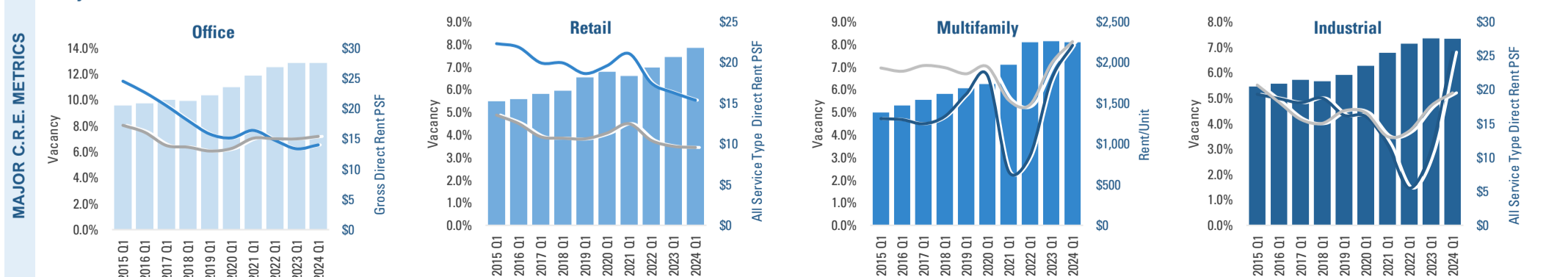




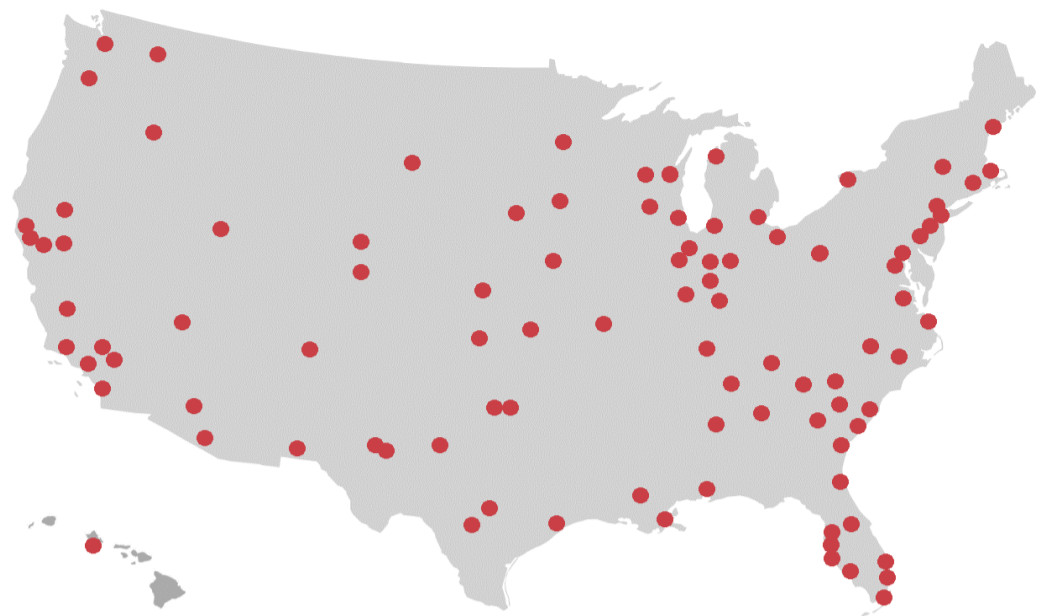
Scale and Service Distribution: San Bernardino, CA



Major CRE Market Performance



Nsights Hotel Market Reports Coverage



Akron, OH	Dayton, OH	Louisville, KY	Portland, OR
Albany, NY	Denver, CO	Madison, WI	Raleigh, NC
Albuquerque, NM	Des Moines, IA	Memphis, TN	Rapid City, SD
Anaheim, CA	Detroit, MI	Miami, FL	Richmond, VA
Arkansas State Area, AR	El Paso, TX	Michigan North Area, MI	Sacramento, CA
Atlanta, GA	Fayetteville, AR	Michigan South Area, MI	Saint Louis, MO
Augusta, GA	Fort Lauderdale, FL	Milwaukee, WI	Saint Petersburg, FL
Austin, TX	Fort Myers, FL	Minneapolis, MN	Salt Lake City, UT
Bakersfield, CA	Fort Worth, TX	Mobile, AL	San Antonio, TX
Baltimore, MD	Fresno, CA	Myrtle Beach, SC	San Bernardino, CA
Baton Rouge, LA	Greensboro, NC	Nashville, TN	San Diego, CA
Bentonville, AR	Greenville, SC	New Brunswick, NJ	San Francisco, CA
Birmingham, AL	Harrisburg, PA	New Orleans, LA	San Joaquin Valley, CA
Boise City, ID	Hartford, CT	New York, NY	San Jose, CA
Boston, MA	Houston, TX	Newark, NJ	Sarasota, FL
Buffalo, NY	Indiana North Area, IN	Oahu Island, HI (Branded)	Savannah, GA
Charleston, SC	Indiana South Area, IN	Oakland, CA	Seattle, WA
Charlotte, NC	Indianapolis, IN	Odessa-Midland, TX	Spokane, WA
Chattanooga, TN	Jackson, MS	Oklahoma City, OK	Tampa, FL
Chicago, IL	Jacksonville, FL	Omaha, NE	Tucson, AZ
Cincinnati, OH	Kansas City, MO	Orlando, FL (Non-Disney)	Tulsa, OK
Cleveland, OH	Knoxville, TN	Palm Desert, CA	Virginia Beach, VA
Colorado Springs, CO	Las Vegas, NV (Non-Strip)	Philadelphia, PA	Washington State Area, WA
Columbia, SC	Lexington, KY	Phoenix, AZ	Washington, DC
Columbus, OH	Little Rock, AR	Pittsburgh, PA	West Palm Beach, FL
Dallas, TX	Los Angeles, CA	Portland, ME	Wichita, KS

*Customized market reports available upon request

Hospitality, Gaming & Leisure

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Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

Portfolio Analytics

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Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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